

DATE

TRANSMITTAL SLIP

TO:

Ames

ROOM NO.

BUILDING

REMARKS:

FROM:

ROOM NO.

BUILDING

EXTENSION

FORM NO. 341

REPLACES FORM 36-8

(47)

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25X1 Distribution:

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Judge:

You are scheduled to address 40 chief executive officers at a Business Roundtable meeting at the Links Club in New York on January 12, 1988.

I suggest that the remarks you made to the Council on Foreign Relations on December 17, 1987, would be appropriate for this group as well. In that speech you referred to two recurring questions and in the text of the speech provided the answers. In answering the questions "What should the Central Intelligence Agency do? and How should it operate?", you discussed what is required of intelligence, the CIA's role in implementing foreign policy through covert action, and emphasized the importance of integrity, cooperation with Congress, and fidelity to law.

Because this is a small group and reading a full text might prove awkward, I suggest using an outline. The outline I have attached incorporates the changes you made in the introduction and middle sections of the speech to the Council on Foreign Relations.

The outline ends with the text of the quotation from Sir William Stephenson in the introduction to the Man From Intrepid as well as the statement, "A nation dedicated to the rule of law can protect itself and its heritage in no other way."

Bill Baker

Attachments:
As stated

SECRET

OUTLINE

PROPOSED REMARKS TO BUSINESS ROUNDTABLE

12 JANUARY 1987

I. INTRODUCTION: THERE WERE TWO RECURRING QUESTIONS I BEGAN HEARING WHEN I ACCEPTED PRESIDENT REAGAN'S NOMINATION AS DIRECTOR OF CENTRAL INTELLIGENCE.

A. WHAT, EXACTLY, SHOULD THE CENTRAL INTELLIGENCE AGENCY DO?

B. HOW SHOULD IT OPERATE?

II. IN ORDER TO HAVE AN IMPACT, INTELLIGENCE MUST BE USEFUL, TIMELY, AND OBJECTIVE.

A. USEFUL -- GOVERNMENT DEPENDS ON INTELLIGENCE TO FORMULATE AND IMPLEMENT OUR FOREIGN POLICY, VERIFY ARMS AGREEMENTS, AND UNDERSTAND MILITARY CAPABILITIES AND INTENTIONS OF ADVERSARIES.

B. TIMELY -- TRIP TO NORAD IN JULY POINTED TO THE CRITICAL IMPORTANCE OF EARLY, ACCURATE INTELLIGENCE.

C. OBJECTIVE

1) MUST GIVE BEST ESTIMATES, NOT "COOK THE BOOKS."

2) I HAVE TAKEN A NUMBER OF STEPS TO ENSURE THAT THE INTELLIGENCE COMMUNITY PRESERVES ITS OBJECTIVITY.

3) WE INTEND TO "TELL IT AS IT IS" -- EXAMPLE: THE JUNE 1987 NATIONAL INTELLIGENCE ESTIMATE ON IRAN AND SUPERPOWERS IN THE GULF. CIA VIEW WAS NOT ONE THAT POLICYMAKERS WELCOMED, BUT WE DID NOT CHANGE IT.

4) AS DIRECTOR OF CENTRAL INTELLIGENCE, I THINK THIS INSISTENCE ON OBJECTIVITY MAY BE THE MOST SIGNIFICANT CONTRIBUTION THAT I COULD MAKE IN GALVANIZING A COHESIVE INTELLIGENCE COMMUNITY WITHOUT COMPROMISING THE INTEGRITY OF THE INDIVIDUAL ANALYSTS OR PROGRAM MANAGERS.

III. IN ADDITION TO PROVIDING USEFUL, TIMELY, AND OBJECTIVE INTELLIGENCE, THE CIA PLAYS A ROLE IN IMPLEMENTING FOREIGN POLICY THROUGH COVERT ACTIVITIES.

A. TYPES OF COVERT ACTION -- POLITICAL WORK THROUGH COMMUNICATIONS, TRAINING, PROVIDING SUPPLIES, GIVING ADVICE.

B. ALTHOUGH COVERT ACTION IS NOT DEFINED BY LAW, IT HAS COME TO BE UNDERSTOOD TO REFER TO ACTIVITIES CONDUCTED IN SUCH A WAY THAT THE ROLE OF THE U.S. GOVERNMENT IS NOT APPARENT.

- C. FROM PRESIDENT FRANKLIN ROOSEVELT FORWARD, EVERY PRESIDENT HAS ENDORSED AND USED COVERT ACTION.

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IV. THE IRAN-CONTRA AFFAIR IS AN EXAMPLE OF THE IMPROPER USE OF COVERT ACTION.

- A. COVERT ACTION WAS MOVED OUTSIDE OF THE CIA INTO THE NATIONAL SECURITY COUNCIL.
- B. SITUATION HAS BEEN DESCRIBED AS A GOVERNMENT WITHOUT RULES INSIDE A GOVERNMENT THAT DID NOT KNOW.
- C. THERE ARE RULES GOVERNING COVERT ACTION THAT WILL MEET CONSTITUTIONAL REQUIREMENTS AND SUSTAIN NATIONAL SECURITY.

V. TRANSITION: ANOTHER WAY OF DEFINING OUR MISSION IS FOUND IN THE INSCRIPTION AT THE ENTRANCE OF CIA HEADQUARTERS: "YE SHALL KNOW THE TRUTH AND THE TRUTH SHALL MAKE YOU FREE."

- A. THE METHODS WE USE IN OUR SEARCH FOR THE TRUTH ARE CRUCIAL.
- B. THE WAY WE OPERATE IN THIS DIFFICULT AND COMPLEX WORLD CAN SUPPORT, OR UNDERCUT OUR MOST DEEPLY CHERISHED CONCEPTS OF LIBERTY.

VI. I AM APPROACHING THE JOB AS DIRECTOR OF CENTRAL INTELLIGENCE WITH TWO CARDINAL THESES:

- A. INTELLIGENCE ACTIVITIES MUST BE CONDUCTED LAWFULLY AND WITH ABSOLUTE FIDELITY TO THE CONSTITUTION.
- B. THERE MUST BE A TRUSTWORTHY SYSTEM OF OVERSIGHT AND ACCOUNTABILITY.

VII. THERE IS A CLEAR DISTINCTION BETWEEN SECRECY AND DECEPTION.

- A. IN COVERT ACTIVITY, THERE IS OFTEN DECEPTION TO CONCEAL THE SOURCE OF THE ACTIVITY.
- B. IN DEALING WITH CONGRESS, THERE IS NO EXCUSE FOR DECEPTION.
 - 1) MEET WITH THE LEADERSHIP OF CONGRESSIONAL OVERSIGHT COMMITTEES MONTHLY.
 - 2) IF I AM ASKED ABOUT SOMETHING THAT I FEEL I CANNOT ANSWER, I WILL NOT PRETEND THAT I DO NOT KNOW THE ANSWER.
- C. WE MUST NOT HAVE DECEPTION IN OUR RELATIONSHIP WITH CONGRESS OR THE PUBLIC; BUT THAT DOES NOT MEAN THERE IS NO NEED FOR SECRECY.

VIII. SECRECY IS A NECESSARY PART OF EFFECTIVE INTELLIGENCE COLLECTION, AND THE LAW PROVIDES THAT CONGRESS WILL SHARE THE RESPONSIBILITY OF PROTECTING OUR INTELLIGENCE SECRETS.

- A. IN 1976 AND 1977, BOTH HOUSES OF CONGRESS ESTABLISHED INTELLIGENCE OVERSIGHT COMMITTEES TO MONITOR ALL SIGNIFICANT INTELLIGENCE ACTIVITIES.
- B. THE INTELLIGENCE COMMUNITY IS REQUIRED BY LAW TO KEEP THE COMMITTEES FULLY AND CURRENTLY INFORMED OF ALL INTELLIGENCE ACTIVITIES.
- C. WHEN NECESSARY, THE PRESIDENT CAN LIMIT NOTIFICATION TO THE "GANG OF EIGHT."
- D. THE INTELLIGENCE COMMITTEES MUST BE FULLY INFORMED IN A "TIMELY FASHION" OF INTELLIGENCE OPERATIONS FOR WHICH PRIOR NOTICE WAS NOT GIVEN.

IX. BEFORE UNDERTAKING ANY COVERT ACTIVITIES, WE IN INTELLIGENCE HAVE TO DETERMINE IF IT CAN BE DONE IN A LAWFUL WAY.

- A. OUR OWN INTERNAL COVERT ACTION REVIEW GROUP ASKS ITSELF:
 - 1) IS IT CONSISTENT WITH OPEN UNITED STATES POLICY?
 - 2) IS IT CONSISTENT WITH AMERICAN VALUES?
 - 3) WILL IT WORK?
- B. THIS KIND OF SCRUTINY ENSURES EFFECTIVE AND PRODUCTIVE USE OF COVERT CAPABILITY.

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X. TO KEEP THAT TRUST, WE IN THE INTELLIGENCE COMMUNITY MUST BE RESPONSIVE.

- A. WORK CLOSELY WITH THE EXECUTIVE BRANCH.
- B. WORK CLOSELY WITH THE CONGRESSIONAL COMMITTEES.
- C. DILIGENTLY CARRY OUT ASSIGNMENTS THROUGHOUT THE WORLD, REGARDLESS OF DIFFICULTY.

XI. CONCLUDE WITH QUOTE BY SIR WILLIAM STEPHENSON.

"PERHAPS A DAY WILL DAWN WHEN TYRANTS CAN NO LONGER THREATEN THE LIBERTY OF ANY PEOPLE. WHEN THE FUNCTION OF ALL NATIONS, HOWEVER VARIED THEIR IDEOLOGIES, WILL BE TO ENHANCE LIFE NOT TO CONTROL IT. IF SUCH A CONDITION IS POSSIBLE, IT IS IN A FUTURE TOO FAR DISTANT TO FORESEE. UNTIL THAT SAFER, BETTER DAY, THE DEMOCRACIES WILL AVOID DISASTER AND POSSIBLE TOTAL DESTRUCTION ONLY BE MAINTAINING THEIR DEFENSES. AMONG THE INCREASINGLY INTRICATE ARSENALS ACROSS THE WORLD, INTELLIGENCE IS AN ESSENTIAL WEAPON. PERHAPS THE MOST IMPORTANT. BUT IT IS, BEING SECRET, THE MOST DANGEROUS. SAFEGUARDS TO PREVENT ITS ABUSE MUST BE DEVISED, REVISED, AND RIGIDLY APPLIED. BUT AS IN ALL ENTERPRISE, THE CHARACTER AND WISDOM OF THOSE TO WHOM IT IS ENTRUSTED WILL BE DECISIVE. IN THE INTEGRITY OF THAT GUARDIANSHIP LIES THE HOPE OF FREE PEOPLE TO ENDURE AND PREVAIL."

-- A NATION DEDICATED TO THE RULE OF LAW CAN PROTECT ITSELF AND ITS HERITAGE IN NO OTHER WAY.

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